

DOCKET FILE COPY ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

RECEIVED

JAN 13 2000

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

| | | |
|------------------------------------|---|---------------------|
| In the Matter of |) | |
| |) | |
| Request for Review |) | CC Docket No. 96-45 |
| of the Decision of the |) | |
| Universal Service Administrator by |) | CC Docket No. 97-21 |
| MasterMind Internet Services, Inc. |) | |

REQUEST FOR REVIEW

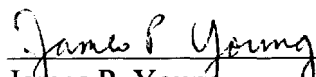
MasterMind Internet Services, Inc. ("MasterMind") submits this Request for Review of the Decision of the Universal Service Administrator ("Request for Review"), seeking review of the decisions of the School and Libraries Division ("SLD") of the Universal Service Administrative Company ("Administrator") to deny the applications of school districts in the State of Oklahoma for discounts for Internet and non-telecommunications services under a contract with MasterMind.

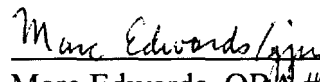
MasterMind challenges the SLD's denial of such funding pursuant to 47 C.F.R. §§ 54.719 and 54.722, and respectfully requests appropriate relief from the Federal Communications Commission ("FCC") to overturn the decision of the SLD. The Funding Commitment Report, identifying the denial of the requests, is attached. In each case, the Report indicates that the funding was denied because "[t]he circumstances surrounding the filing of the Form 470 associated with this funding request violated the intent of the bidding process." Such a denial is

flatly unlawful, for the reasons stated in MasterMind's two previous Requests for Review, dated November 24, 1999, and December 16, 1999.

MasterMind seeks review of the denial by the SLD for the funding of the applications submitted by the School Districts and that the School Districts are entitled to full funding of the eligible services set forth in the applications. Relief is sought pursuant to Sections 1-4 and 254 of the Communications Act of 1939, as amended, 47 U.S.C. §§ 151-154 and 254 and 47 C.F.R. §§ 54.704, 54.719, and 54.722.

Respectfully submitted,


James P. Young
SIDLEY & AUSTIN
1772 Eye Street N.W.
Washington, D.C. 20006
Telephone: (202) 736-8677


Marc Edwards, OBA #10281
PHILLIPS McFALL McCAFFREY
McVAY & MURRAH, P.C.
One Leadership Square, 12th Floor
211 North Robinson
Oklahoma City, Oklahoma 73102
Telephone: 405-235-4100
Facsimile: 405-235-4133

Attorneys for MasterMind

January 13, 2000

USAC
UNIVERSAL SERVICE
ADMINISTRATIVE CO.**SCHOOLS AND LIBRARIES DIVISION**Box 125 - Correspondence Unit
100 South Jefferson Road
Whippany, NJ 07981LONE WOLF INDEP SCHOOL DIST 2
CHRIS WEBBER
1217 E. 48TH STREET
TULSA, OK 74105-4701

December 14, 1999

Re: Form 471 Application Number: 147167
Funding Year: 07/01/1999 - 06/30/2000
Billed Entity Number: 139939

Thank you for your 1999-2000 E-rate application and for any assistance you provided throughout our review. We have completed processing of your Form 471. This letter is to advise you of our decisions.

FUNDING COMMITMENT REPORT

From your Form 471, we reviewed row-by-row discount requests in Items 15 and 16. We assigned each row a Funding Request Number (FRN). On the pages following this letter, we have provided a Funding Commitment Report for each FRN in your application.

Attached to this letter you will find a guide that defines each line of the Funding Commitment Report and a complete list of FRNs from your application. The SLD is also sending this information to your service provider(s) so arrangements can be made to begin implementing your E-rate discount(s). We would encourage you to contact your service providers to let them know your plans regarding these services.

FOR QUESTIONS

If you have questions regarding our decisions on your E-rate application, please notify us in writing. Your questions should be sent to: Questions, Schools and Libraries Division, Universal Service Administrative Company, Box 125 - Correspondence Unit, 100 South Jefferson Road, Whippany, NJ 07981.

FOR APPEALS

If you wish to appeal to the SLD, your appeal must be made in writing and received by us within 30 days of issuance of this letter as indicated by its postmark. In your letter of appeal, please include: correct contact information for the appellant, information on the Funding Commitment Decision you are appealing and the specific Funding Request Number in question, and an original authorized signature. Appeals sent by fax, e-mail or phone call cannot be processed. Please mail your appeal to: Letter of Appeal, Schools and Libraries Division, Box 125 - Correspondence Unit, 100 South Jefferson Road, Whippany, NJ 07981. You may also call our Client Service Bureau at 888-203-8100. While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC), Office of the Secretary, 445 12th Street SW, Room TW-A 325, Washington, D.C. 20554.

NEXT STEPS

Once you have reviewed this letter and have determined that some or all of your requests have been funded, your next step is to complete and submit the enclosed FCC Form 486. This Form notifies the SLD that you are currently receiving or have begun receiving services approved for discounts and provides certified indication that your technology plan(s) has been approved. As you complete your Form 486, you should also contact your service provider to verify they have received notice from the SLD of your commitments. After the SLD processes your Form 486, we can begin processing invoices from your service provider(s) so they can be reimbursed for discounted services they have provided you. For further detailed information on next steps, please review all enclosures.

FUNDING COMMITMENT REPORT FOR APPLICATION NUMBER: 0000147167

Funding Request Number: 0000241326 Funding Status: Unfunded or Denied
SPIN: 143006149 Service Provider Name: Edumaster.net, LLC dba Mastermind Learning Cent
Provider Contract Number: 200214
Services Ordered: Internet Access
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: 06/30/2000
Pre-discount Cost: \$53,250.00
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Bidding Violation
Funding Commitment Decision Explanation: The circumstances surrounding the filing of the form 470 associated with this funding request violated the intent of the bidding process.

Funding Request Number: 0000241332 Funding Status: Unfunded or Denied
SPIN: 143006149 Service Provider Name: Edumaster.net, LLC dba Mastermind Learning Cent
Provider Contract Number: 200218
Services Ordered: Telecommunications Services
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: 06/30/2000
Pre-discount Cost: \$38,419.80
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Bidding Violation
Funding Commitment Decision Explanation: The circumstances surrounding the filing of the form 470 associated with this funding request violated the intent of the bidding process.

Funding Request Number: 0000241336 Funding Status: Funded
SPIN: 143001192 Service Provider Name: AT&T Corp.
Provider Contract Number: T
Services Ordered: Telecommunications Services
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: N/A
Pre-discount Cost: \$129.24
Discount Percentage Approved by the SLD: 80%
Funding Commitment Decision: \$103.39 - 471 approved as submitted

Funding Request Number: 0000241341 Funding Status: Funded
SPIN: 143004662 Service Provider Name: Southwestern Bell Telephone Company
Provider Contract Number: T
Services Ordered: Telecommunications Services
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: N/A
Pre-discount Cost: \$1,382.04
Discount Percentage Approved by the SLD: 80%
Funding Commitment Decision: \$1,105.63 - 471 approved as submitted

Funding Request Number: 0000241345 Funding Status: Funded
SPIN: 143004662 Service Provider Name: Southwestern Bell Telephone Company
Provider Contract Number: T
Services Ordered: Telecommunications Services
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: N/A
Pre-discount Cost: \$6,060.00
Discount Percentage Approved by the SLD: 80%
Funding Commitment Decision: \$4,848.00 - PRN approved; modified by SLD
Funding Commitment Decision Explanation: The estimated one time and/or monthly charge was changed to reflect the documentation provided by the applicant.

FUNDING COMMITMENT REPORT FOR APPLICATION NUMBER: 0000147167

Funding Request Number: 0000291533 Funding Status: Funded
SPIN: 143018986 Service Provider Name: Telecommunications Calling, Inc.
Provider Contract Number: T
Services Ordered: Telecommunications Services
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: N/A
Pre-discount Cost: \$1,841.40
Discount Percentage Approved by the SLD: 80%
Funding Commitment Decision: \$1,473.12 - 471 approved as submitted

EXPLANATION OF A FUNDING COMMITMENT REPORT

Attached to this letter will be a report for each approved E-rate funding request from your application. We are providing the following definitions.

- **FUNDING REQUEST NUMBER (FRN):** A Funding Request Number is assigned by the SLD to each line completed in Items 15 and 16 of your Form 471 once an application has been processed. This number is used to report to applicants and vendors the status of individual discount requests submitted on a Form 471. Applicants and vendors learned about FRNs when they received their Receipt Acknowledgement Letter and must use these numbers when completing the Form 486 and Invoices. An FRN will never be longer than 10 digits. If a FRN is shorter than 10 digits, applicants are advised to add zeroes to the front of the numbers to reach 10 digits when filling post-commitment forms.
- **FUNDING STATUS:** Each FRN will have one of six definitions: "Funded", "Denied", "Partially Funded", "Funds Exhausted", "Unfunded", or "As Yet Unfunded". An FRN that is "Funded" will be approved at the level that SLD determined is appropriate for that item. That will generally be the level requested by you unless the SLD determines during the application review process that some adjustment is appropriate, for example, a different discount percentage for that FRN than the Form 471 featured. A "Denied" FRN is one for which no funds will be committed, and the reason for that decision will be briefly explained in the "Funding Commitment Decision", and amplification of that explanation may be offered in the section, "Funding Commitment Decision Explanation". In accordance with FCC program rules, FRNs are "Partially Funded" or "Unfunded", if the total amount of funds in the Universal Service Fund is insufficient to fully fund or fund all approved requests. If the Form 471 was received after all the funds in the Universal Service Fund were allocated and it was processed, the status will indicate "Unfunded - Funds Exhausted". "As Yet Unfunded" is a temporary status that would be assigned to an FRN when the SLD is uncertain at the time the letter is generated whether there will be sufficient funds to make commitments for a particular service type at a particular discount level. For example, if your application included both telecommunications services and internal connections, you might receive a letter with our funding commitment for your telecommunications requests and a message that your internal connections requests are "As Yet Unfunded". You would then receive a later letter regarding our funding decision on your internal connections requests.
- **SPIN (Service Provider Identification Number):** A unique number assigned by the Universal Service Administrative Company to vendors seeking payment from the Universal Service Fund for participating in the universal service support programs. A SPIN contains 9 digits and should be included by applicants on their completed Form 471 applications. A SPIN is also used to verify delivery of services and to arrange for payment.
- **SERVICE PROVIDER NAME:** The legal name of the service provider.
- **PROVIDER CONTRACT NUMBER:** The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on Form 471.
- **SERVICES ORDERED:** The type of service ordered from the service provider, as shown on Form 471.
- **EARLIEST POSSIBLE EFFECTIVE DATE OF DISCOUNT:** The first possible date of service for which the SLD will reimburse service providers for the discounts for the service. Note: If the actual service start date provided on a Form 486 is later than this date, the actual service start date set forth in the Form 486 will be the effective date of the discount.
- **CONTRACT EXPIRATION DATE:** The date the contract expires. This will be present

1/10/1999 11:42 19186967240

GREASY SCHOOL

PAGE 03

FUNDING COMMITMENT REPORT FOR APPLICATION NUMBER: 0000146700

Funding Request Number: 0000239384 Funding Status: Unfunded or Denied
SPIN: 143006149 Service Provider Name: Edumaster.net, LLC dba Mastermind Learning Cent.
Provider Contract Number: 200138
Services Ordered: Telecommunications Services
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: 06/30/2000
Pre-discount Cost: \$38,419.80
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Bidding Violation
Funding Commitment Decision Explanation: The circumstances surrounding the filing of the form 470 associated with this funding request violated the intent of the bidding process.

Funding Request Number: 0000239392 Funding Status: Unfunded or Denied
SPIN: 143006149 Service Provider Name: Edumaster.net, LLC dba Mastermind Learning Cent.
Provider Contract Number: 200134
Services Ordered: Internet Access
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: 06/30/2000
Pre-discount Cost: \$53,250.00
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Bidding Violation
Funding Commitment Decision Explanation: The circumstances surrounding the filing of the form 470 associated with this funding request violated the intent of the bidding process.

Funding Request Number: 0000239395 Funding Status: Funded
SPIN: 143002390 Service Provider Name: Oklahoma Alltel Inc.
Provider Contract Number: T
Services Ordered: Telecommunications Services
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: N/A
Pre-discount Cost: \$4,416.00
Discount Percentage Approved by the SLD: 90%
Funding Commitment Decision: \$3,974.40 - 471 approved; modified by SLD

Funding Request Number: 0000239400 Funding Status: Funded
SPIN: 143001192 Service Provider Name: AT&T Corp.
Provider Contract Number: T
Services Ordered: Telecommunications Services
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: N/A
Pre-discount Cost: \$885.48
Discount Percentage Approved by the SLD: 90%
Funding Commitment Decision: \$796.93 - 471 approved; modified by SLD

Funding Request Number: 0000239405 Funding Status: Funded
SPIN: 143000202 Service Provider Name: Alltel Mobile Communications Of Arkansas, Inc.
Provider Contract Number: 8780069525-980
Services Ordered: Telecommunications Services
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: 06/30/2000
Pre-discount Cost: \$556.20
Discount Percentage Approved by the SLD: 90%
Funding Commitment Decision: \$500.58 - 471 approved; modified by SLD

1/18/1999 11:42 19186967248

GREASY SCHOOL

PAGE 84

FUNDING COMMITMENT REPORT FOR APPLICATION NUMBER: 0000146700

Funding Request Number: 0000239408 Funding Status: Funded
SPIN: 143002390 Service Provider Name: Oklahoma Airtel Inc.
Provider Contract Number: T
Services Ordered: Telecommunications Services
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: N/A
Pre-discount Cost: \$5,000.00
Discount Percentage Approved by the SLD: 90%
Funding Commitment Decision: \$4,500.00 - 471 approved; modified by SLD

Funding Request Number: 0000239410 Funding Status: Funded
SPIN: 143004662 Service Provider Name: Southwestern Bell Telephone Company
Provider Contract Number: T
Services Ordered: Telecommunications Services
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: N/A
Pre-discount Cost: \$6,360.00
Discount Percentage Approved by the SLD: 90%
Funding Commitment Decision: \$5,724.00 - 471 approved; modified by SLD

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing Request for Review was mailed postage prepaid thereon this 13th day of January, 2000, to:

Administrator
Universal Services Administrative Co.
c/o Ellen Wolfhagen
Counsel
USAC/Schools and Libraries Division
2120 L Street, N.W., Suite 600
Washington, D.C. 20037


Peter M. Andros